

AMENDMENT TO THE DRAWINGS

Please replace FIGs. 3A-3C and 4A with the attached Replacement Sheets. The drawings are amended to address the informalities noted on page 3 of the Office Action.

REMARKS

By this amendment, claims 1-42 are currently pending, in which claims 4, 11, 18, 25, 32, and 42 are currently amended. No new matter is introduced.

The Office Action mailed March 13, 2006 objected to the Specification for various informalities and rejected claims 1-42 under 35 U.S.C. § 103(a) as obvious based on *Kitchen et al.* (US 6,289,322 B1) in view of Michaelas, Nicos, et al., “Pay and Save.” in: *Accountancy*, vol. 123, iss. 1270, pp. 92 (Jun. 1999) (hereinafter *Pay and Save*).

Applicants have amended claims 4, 11, 18, 25, 32, and 42 to correct discovered informalities.

Also, Applicants have amended the Specification per the Examiner’s helpful suggestions.

Regarding the obviousness rejection, Applicant respectfully traverses on the merits because in Applicant’s view the claimed invention patentably defines over the applied art, as next discussed.

For example, independent claim 1 recites (Emphasis Added):

1. (Original) A method for providing an on-line billing system, the method comprising:
retrieving customer invoice information that includes an invoice date and an invoice amount;
calculating a discount amount based upon the invoice amount;
displaying the calculated discount amount; and
selectively receiving a payment input that authorizes a payment according to the calculated discount amount **in advance of the invoice date**.

Applicant maintains that this feature is not taught or otherwise suggested by *Kitchen et al.* or *Pay and Save*, alone or in combination. Applicant’s study of the reference reveals that *Kitchen et al.* is merely directed to “[a] method of electronically presenting billing information, [that] includes receiving billing information associated with a plurality of different billers, different portions of which represent bills for different payors” (Abstract). The payor can access the bill

presentment information at a centralized financial institution via the Internet at any time. (col. 12, lines 49-51). By clicking on a pay indicator using a payor input device, a direct payment of a particular billed amount, or of all listed bill amounts, can be transmitted to the centralized financial institution by the payment due date (col. 13, line 63 – col. 14, line 65). Furthermore, it should be noted that an indicated payment date may pre-date the payment due date included on the bill presentment information to reflect when the payment must be made to ensure timely arrival and avoidance of late charges. (col. 16, lines 6-11).

On page 4, the Office Action concedes that *Kitchen et al.* “does not disclose **calculating a discount amount based on the invoice amount.**” Therefore, *Kitchen et al.* cannot possibly disclose “selectively receiving a payment input that authorizes a payment **according to the calculated discount amount** in advance of the invoice date.”

In an attempt to cure the deficiencies of *Kitchen et al.*, the Office Action relies on *Pay and Save* for a supposed disclosure of “calculating a discount amount **based on the invoice amount for a pre-defined period of time from invoice date.**” This synopsis of the claim language, however, is not what the claim actually recites; instead, the claim feature recites “selectively receiving a payment input that authorizes a payment according to the calculated discount amount **in advance of the invoice date.**”

Moreover, *Pay and Save* cannot teach the claim features. In particular, *Pay and Save* discloses on lines 1-10, the following (Emphasis Added):

Late payment of trade debt is a continuing problem for businesses of all sizes, but especially for smaller businesses, across all sectors in the UK. The natural reaction of small businesses suffering from late payment from their customers is to delay payment to their suppliers.

But paying bills late is the most expensive form of business finance. A survey* we did last year of 236 small and medium sized enterprises (ie, with fewer than 250 employees) shows that the average discount rate that suppliers offer is 3%, with an average discount period of 20 days. The most frequently cited cash

discount is 2.5% within 30 days. Yet some SMEs on average take 53 days' credit from their suppliers.

This could be a poor decision on the SMEs' part. **A business that does not take advantage of a trade discount of 2.5% for payment within 30 days, but instead chooses to wait 53 days and so lose the discount, is effectively borrowing the money due at an annual interest rate of 41% (see Panel 1).**

At best, the above disclosure may suggest to one of ordinary skill in the art that *Pay and Save* describes pre-establishing a shortened contractual borrowing term between SMEs and suppliers at a pre-negotiated discount amount **before** those parties engage in a contractual relationship. In essence, a *Pay and Save* SME negotiates a borrowing period of X amount of days (Y amount of days shorter than a normal borrowing period) at a discounted amount, some Z % lower than a rate for borrowing on a term equivalent to X+Y amount of days. Thus, *Pay and Save* cannot **"calculate a discount amount** based upon the [received] invoice amount" as positively recited by the claims because *Pay and Save* creates a discounted amount **before** a customer's invoice information is even generated. Furthermore, an SME taking advantage of the *Pay and Save* discount must adhere to a pre-established stipulation requiring payment **within** X amount of days thus, establishing a floating invoice date extending over X amount of days. In this manner, a *Pay and Save* SME cannot selectively pay **in advance of the invoice date** since the invoice date is a range of days starting from day zero and extending to day X. That is, *Pay and Save* provides a discount incentive only for those customers willing to pre-establish a shorter borrowing period, thus mandating strict adherence to a shortened payment term.

Even assuming the references of *Kitchen et al.* and *Pay and Save* could be properly combined, the combination would still fail to disclose all of the claimed features; in particular, "calculating a discount amount based upon the invoice amount" or "selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice date."

Based on the foregoing, Applicant respectfully requests withdrawal of the obviousness rejection to independent claim 1, and urges for a subsequent indication of allowance to be entered. Also, for similar reasons to those discussed previously regarding independent claim 1, the obviousness rejections to independent claims 8, 15, 22, 29, and 36 should likewise be withdrawn.

The rejections to dependent claims 2-7, 9-14, 16-21, 23-28, 30-36, and 36-42 should also be withdrawn, in part because of their dependencies from the corresponding allowable independent claims. Further, these dependent claims are allowable on their own merits. As an example, dependent claim 4 recites (Emphasis Added):

4. (Original) The method according to claim 1, wherein the discount amount is based upon a percentage of the invoice amount, further comprising:
calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date; and
automatically applying either of the discount amounts based upon time of receipt of the payment input.

Applicant respectfully submits that there is no mention or even a suggestion within *Kitchen et al.* or *Pay and Save* of the claim features. Perhaps in recognition of this fact, the Office Action fails to particularly point to any disclosure within the applied art teaching such features. Furthermore, and as pointed out above, the Office Action previously conceded that *Kitchen et al.* “does not disclose calculating a discount amount based on the invoice amount.” Further, *Pay and Save*, at best, only discloses a single discount rate with a single discount period. As such, neither reference, alone or in combination, could possibly teach “calculating **another** discount amount based upon **another** percentage of the invoice amount, the **second** discount amount being associated with **another** expiration date; and **automatically applying either of the discount amounts based upon the time of receipt of the payment input.**”

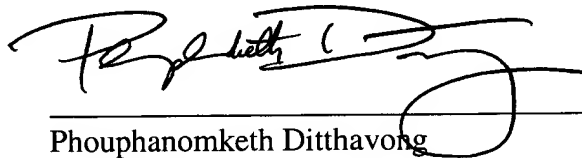
Also, dependent claims 5 and 6 respectively recite, “determining whether **criteria for early payment discount are satisfied** for a corresponding customer; **and selectively applying the discount amount based upon the determining step**” and “wherein **the criteria** in the determining step **includes maintaining a zero outstanding charge by the customer.**” Again, the Office Action fails to specifically address these claims. Further, as even the Office Action acknowledges that *Kitchen et al.* fails to contemplate calculating discount amounts, it must necessarily acknowledge that the reference fails to teach any claim embodying features dealing with discount amounts or criteria for applying those discount amounts. *Pay and Save* does not fill in these gaps.

Therefore, the present application, as amended, overcomes the objections and rejections of record and is in condition for allowance. Favorable consideration is respectfully requested. If any unresolved issues remain, it is respectfully requested that the Examiner telephone the undersigned attorney at (703) 425-8508 so that such issues may be resolved as expeditiously as possible.

Respectfully Submitted,

DITTHAVONG & MORI, P.C.

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Date


Phouphanomketh Ditthavong
Attorney/Agent for Applicant(s)
Reg. No. 44658

10507 Braddock Road
Suite A
Fairfax, VA 22032
Tel. (703) 425-8508
Fax. (703) 425-8518